Exhibit ___ (RJL-2)
Schedule

ELECTRIC/GAS REVENUE MIX AND
BOND RATING FOR THE GROUP OF FIVE
COMPARABLE UTILITIES AND FOR AVISTA
UTILITIES FOR 1999

Company	% Electric Revenue	% Gas Revenue	Bond Rating S&P	Bond Rating Moody's
CH Energy Group	82.0%	18.0%	A	A2
Hawaiian Electric Ind.	100.0	-	BBB	Baa 1
RGS Energy Group	71.2	28.8	A-	A3
United Illuminating Co.	100.0	-	BBB-	Baa 1
WPS Resources Corp.	75.5	24.5	AA	- AA3
Average	85.7%	14.3%	BBB+ to A-	A2 to A3
Avista	83.2%	16.8%	BBB+	A3

Sources: 1999 Annual Reports; March 1999 Standard & Poor's Bond Guide

Exhibit ___ (RJL-2)
Schedule

AVERAGE DIVIDEND YIELDS FOR
FIVE SELECTED UTILITIES FOR SIX
MONTHS ENDED MARCH 31, 2000

Company	Average Dividend Yield
CH Energy Group	6.61%
Hawaiian Electric Ind.	8.02
RGS Energy Group	8.22
United Illuminating Co.	6.16
WPS Resources Corp.	8.16
Average:	7.43%

Exhibit ___ (RJL-2)
Schedule

GROWTH RATE PROJECTIONS FOR
THE GROUP OF FIVE COMPARABLE
UTILITIES

	Value Line Projections			S&P/Zack's/IBES Projections		
Company	EPS	DPS	BVS	S&P EPS	Zack's EPS	IBES EPS
CH Energy Group	1.5%	0.5%	3.0%	1.0%	1.0%	1.0%
Hawaiian Electric Ind.	2.0	0.5	2.0	3.0	3.3	3.23
RGS Energy Group	2.5	0.0	3.0	2.0	2.3	2.5
United Illuminating Co.	3.0	0.0	2.0	3.0	3.3	2.33
WPS Resources Corp.	8.0	2.0	5.5	3.0	3.0	3.2
Average:	3.4%	0.6%	3.1%	2.4%	2.6%	2.5%

Sources: Value Line Investment Surveys for
January 7, February 18 and March 10, 2000.
Standard & Poor's Earnings Guide for April, 2000
Zack's Investment Surveys, April 7, 2000.
IBES Surveys.

Exhibit ___ (RJL-2)
Schedule

<u>Demonstration That With a 10.4% Rate of Earnings On Book Equity,</u>

<u>Given a Cost Of Common Equity Of 10.15%, The Market Price</u>

<u>Can Be Expected To Be Approximately 4% Above Book Value</u>

I. Given:

r	=	Rate of Earnings on Book Equity = .104
k	=	Cost of Common Equity = .1015
G	=	Estimated Long Run Growth in Equity Capital = 9.0%
b	=	Retention Ratio = .23
f	=	Cost of Financing = .04
Mo/Bo	=	Expected Market to Book Ratio = 1.04
g_{BV}	=	Annual Growth Rate in Book Value Per Share
D_1	=	Dividends Per Share
g_{RE}	=	Annual Growth from Retained Earnings
g_S	=	Annual Growth Rate from Sales of Stock at Net Proceeds Above Book Value Per Share

II. DCF Formula

$$Mo = D_1 / k - g_{BV}$$

Dividing both sides by Bo produces

$$Mo/Bo = (D_1/Bo) / k - g_{BV}$$

Where $D_1 = r\,(1 - b)\,Bo$

$$k = .1015, \text{ as given}$$

$$g_{BV} = (1 + g_{RE})(1 + g_S) - 1$$

Where $g_{RE} = rb$

$$g_S = \frac{1 + (G - rb)}{1 + \frac{(G - rb)}{(Mo/Bo)(1 - f)}} - 1$$

III. Solution

$$D_1/B_o = (.104)(.77) = .08$$

$$g_{RE} = rb = (.104)(.23) = .0239$$

$$g_S = \frac{1 + (.09 - .0239)}{1 + \frac{(.09 - .0239)}{(1.04)(1 - .04)}} - 1 = 0$$

$$g_{BV} = (1 + .0239)(1 + 0) - 1 = .0239$$

$$g_{BV} = .0239$$

$$M_o/B_o = \frac{.08}{.1015 - .0239} \;@\; 1.04$$

Exhibit ___ (RJL-2)
Schedule

Exhibit ___ (RJL-2)
Schedule

WASHINGTON JURISDICTIONAL ELECTRIC
AND GAS OPERATIONS OF AVISTA UTILITIES
FAIR OVERALL RATE OF RETURN

Type of Capital	Capital Structure Ratios	Cost Rates	Weighted Cost Rates	Overall Cost of Capital
(A)	(B)	(C)	(D)	(E)
A. Long-Term Debt	40.0%	7.97%	3.19%	
B. Short-Term Debt	8.5	5.74	0.49	
C. Preferred Stock	9.5	8.11	0.77	
D. Common Equity	42.0	10.40	4.37	
E. Total:	100.0%		8.82%	